From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Tue, 8/11/2015 6:42:43 PM
Subject:	Daily Update

Quote of the Day

"Whatever you do in life, surround yourself with smart people who'll argue with you." John Wooden

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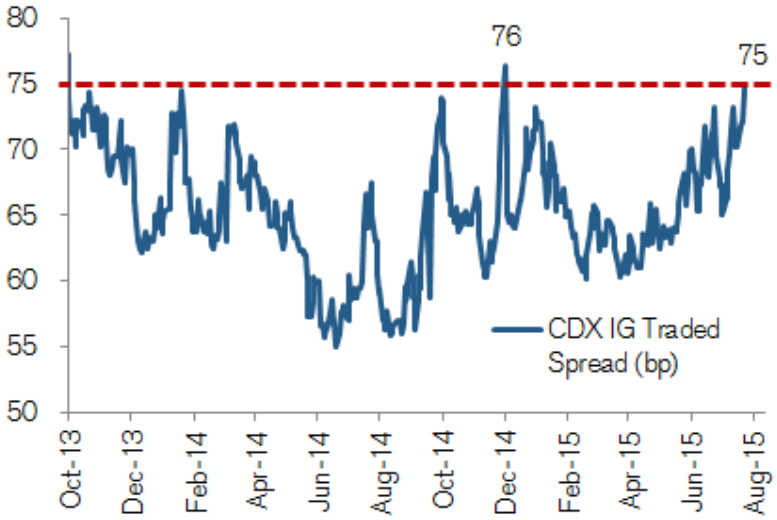
- China moved to devalue the Renminbi overnight. A small move of 2% but it was the biggest in over 20 years. It will have an impact on US and EM exporters (reminder: liftoff is coming too and will be a double whammy). To me this move confirms that the Chinese economy is slowing as the government is seeks new ways to maintain growth. Markets are responding as global equities are selling off and rate markets are rallying… In other news, THE S&P remains unch'd on the year, the Greeks are suggesting that they have a new bail out deal, OPEC pumped the most crude last month in more than three years as they raised output to over 100k barrels a day (oil is down circa 1.5% on this update) and non-farm productivity barely rebounds. The Fed has a lot of thinking to do in the next four weeks…… Futures: -17. 10 year: 2.15%

S&P

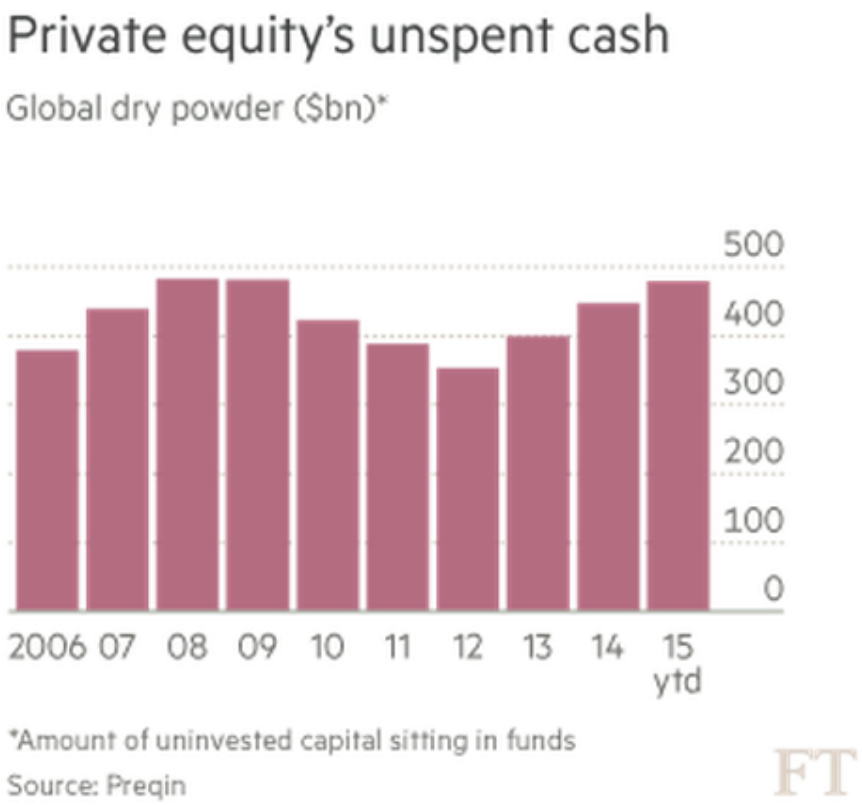
- Data: No headline data although unit labor costs were up while nonfarm productivity comes in below expectations

- Credit: More of the same. Quality reigns while high beta is a bag of hammers. Fade rallies until further notice. Loans are following High Yield. Also, liquidity fears are on the rise again as we head into the peak of the holiday season.

High Grade Spreads

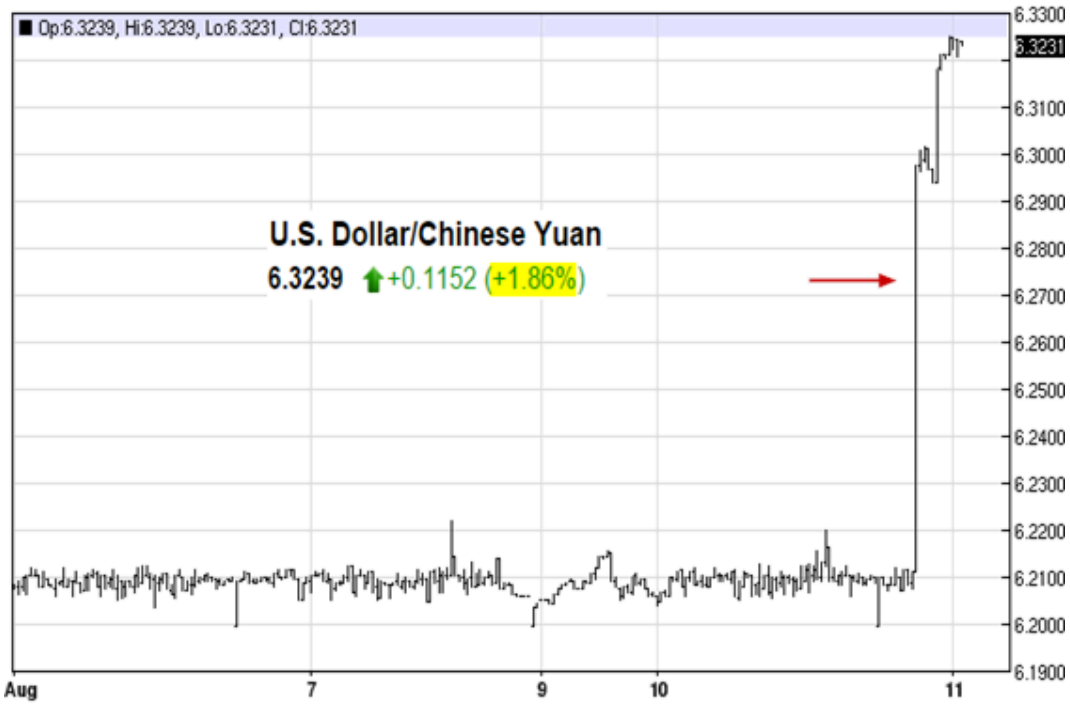


It will sit for longer…



- Charts of the day:

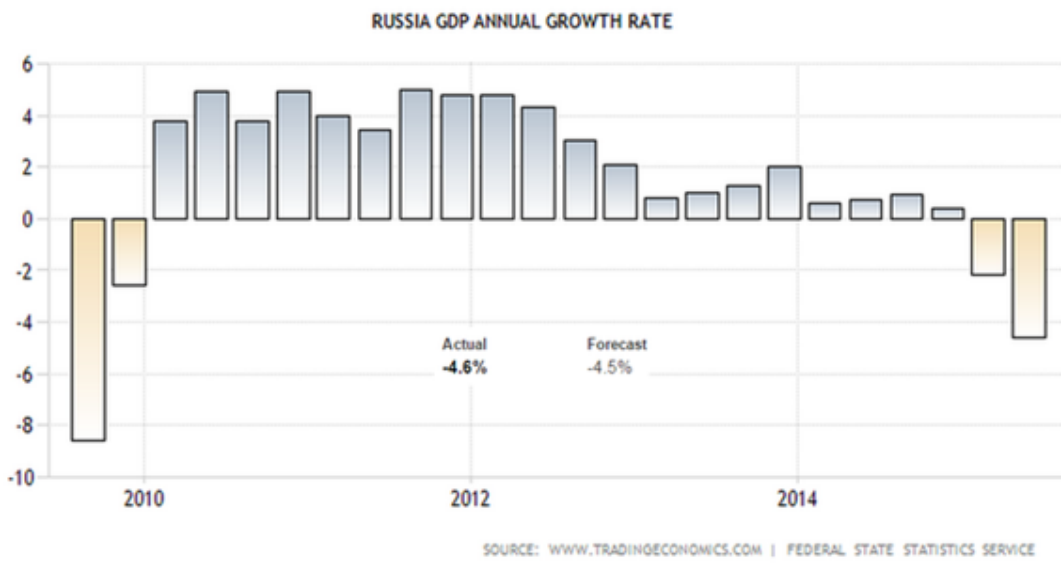
Asian currencies are following the Yuan today too



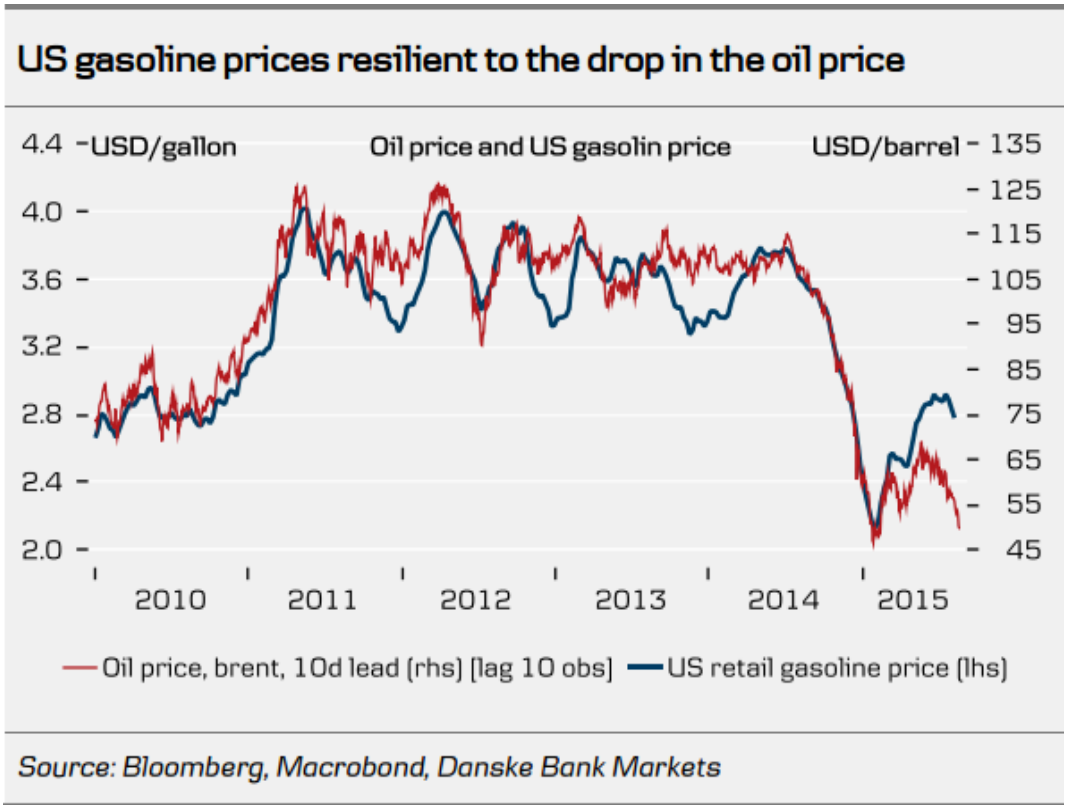
Commodities today too…

Gold	1,101.60	-2.50	-0.23%
Silver	15.165	-0.127	-0.83%
Copper	2.364	-0.025	-1.03%
Crude Oil	44.58	-0.38	-0.86%
Natural Gas	2.829	-0.014	-0.49%

More on the BRIC story:



I would have thought that gas is supposed to go lower[?]



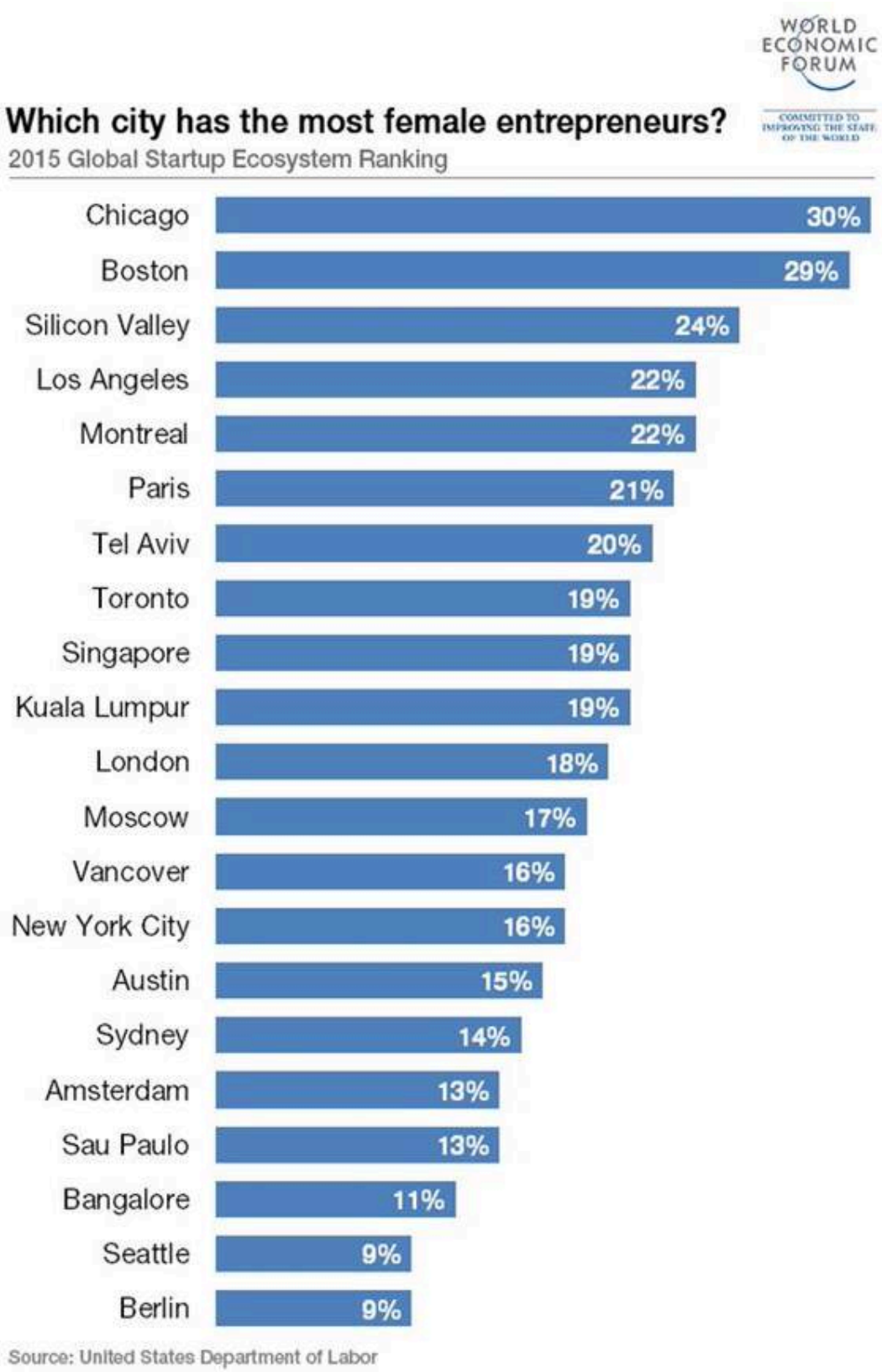
Public pension fund investment returns

One-year returns as of June 30.

Fund	1-year return	Benchmark	Assumed rate of return
Ohio Teachers	5.40%		7.75%
CalSTRS	4.80%	4.60%	7.50%
Oregon Public Employees	4.32%	5.47%	7.75%
Illinois State Board of Investment	4.30%	3.50%	7.75%
Ohio School Employees	3.87%	3.87%	7.75%
Texas Employees	3.86%	2.46%	8.00%
Florida State Board	3.67%	2.24%	7.75%
West Virginia Investment Mgmt. Board	3.60%		7.50%
New York City Retirement	3.30%		7.00%
Oklahoma Teachers	3.10%	2.60%	8.00%
Idaho Public Employees	3.00%	4.10%	7.50%
Orange County Employees	2.72%		7.25%
Maryland State Retirement	2.68%	0.86%	7.65%
CalPERS	2.40%	2.49%	7.50%
Rhode Island Employees	2.22%	2.47%	7.50%
Wisconsin Investment Board	2.00%	1.80%	7.20%
Maine State Retirement	2.00%	1.80%	7.13%

Source: Fund documents

- Other:



- HY: 105 1/8 (-3/8)
- IG: 75 (+1 ¼)

- CSLLI: -0.20% mtd / 2.67% ytd

Stan Sokolowski
Senior Portfolio Manager, Head of Portfolio Management and Trading
CIFC Asset Management LLC
250 Park Avenue, 4th Floor | New York, NY 10177
☎ (D) +1 212.624.0931 | (C) +1 203.918.3022
✉ ssokolowski@cifc.com | www.cifc.com

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